



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED NET PROFIT OF S\$113.0 MILLION FOR FY2018, A 28% GROWTH FROM THAT OF FY2017

THE BOARD IS RECOMMENDING A FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1.3 SINGAPORE CENTS PER ORDINARY SHARE, AN INCREASE OF 8.3% FROM THAT OF FY2017

Singapore, 14 February 2019 – Singapore Exchange (“SGX”) mainboard-listed First Sponsor Group Limited (“**First Sponsor**” or the “**Company**”, and together with its subsidiaries, associated companies and joint ventures, the “**Group**”), a mixed property developer in the Netherlands and the People’s Republic of China (the “**PRC**”), an owner of commercial properties (including hotels) and a provider of property financing services mainly in the Netherlands, Germany, and the PRC, today announced the Group’s unaudited financial results for the fourth quarter ended 31 December 2018 (“**4Q 2018**”).

Financial Highlights

In S\$'000	4Q 2018	4Q 2017	Change %	FY 2018	FY 2017	Change %
Revenue	131,952	180,279	(26.8%)	277,361	384,392	(27.8%)
Profit attributable to equity holders of the Company	58,238	42,660	36.5%	113,008	88,283	28.0%

- The Group’s property financing business registered a significant revenue growth of more than 70% in FY2018 underpinned by the full year effect of loans disbursed in the prior year, new loans disbursed to associates for property acquisitions and the strong demand for credit in the PRC.
- In January 2019, the 30%-owned Star of East River project in Dongguan commenced the handover of two of the six fully sold residential apartment blocks, with the remaining four blocks expected to be handed over in the second half of 2019. The 1,528 units from two SOHO blocks launched in late September 2018 are 54% sold. The sales permit for the 250-metre high office tower was obtained in late November 2018 and pre-sales performance had been encouraging. The retail mall which will be operational in late 2019 is currently 54% pre-leased. The 20.4%-owned Emerald of the Orient project in Dongguan, acquired in July 2018, had its first sales launch of 91 villas in December 2018 and more than 50% of these properties launched were sold.
- On 24 January 2019, the Group acquired a bare shell 65-room hotel located in one of Milan’s busiest high streets, Corso Buenos Aires, for a total consideration of approximately €10.7 million (S\$16.5 million) including estimated acquisition costs. The hotel will be fully refurbished into a hostel to tap on the youth hospitality market.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group has recorded a significant revenue growth of over 70% in its property financing business for FY2018 underpinned by the full year effect of loans disbursed in the prior year, new loans disbursed to associates for property acquisitions and the strong demand for credit in the PRC. This is also the first time since IPO that the Group’s property financing business segment surpassed the property development business segment as the largest gross profit contributor, accounting for 45.7% of FY2018’s gross profit. In addition, the Group has, via a 50-50 joint venture with Tai Tak, disbursed a A\$50.0 million loan secured on a prime income producing property located on Collins Street, Melbourne during 4Q2018. This expansion into the Australian property financing market marks another milestone achieved for the property financing business.

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On 24 January 2019, the Group expanded its footprint into the Italian hospitality market through the acquisition of a bare shell 65-room hotel located in one of Milan’s busiest high streets, Corso Buenos Aires, for a total consideration of approximately €10.7 million (S\$16.5 million) including estimated acquisition costs. The hotel will be fully refurbished into a hostel to tap on the youth hospitality market.

The redevelopment of the Munthof property in the Amsterdam city centre has been completed in January 2019. The office component of the property (approximately 92% of the total lettable floor area of 3,355 sqm) is fully leased to a utility supplier in the Netherlands for 8 years. The office will house approximately 300 people. The rest of the property comprising retail units and car park lots are substantially leased too. The Group’s 31.4%-owned Queens Bilderberg (Nederland) B.V., which has a hotel portfolio of 16 hotels, was acquired in August 2017. During the course of FY2018 and January 2019, five non-core hotels were sold for an aggregate gross consideration of €23.6 million (S\$37.6 million) which represents a premium of more than 140% over the hotels’ allocated cost.

The Group will be embarking on a second equity fund raising exercise to further strengthen its balance sheet so as to arm the Group with the necessary financial resources to capitalise on any expansion opportunity. The Company will undertake a renounceable rights issue (“**Rights Issue**”) of (a) 3.98% perpetual convertible capital securities which can be converted into new ordinary shares (“**Shares**”) at a conversion price of S\$1.30 per Share (“**Series-2 PCCS**”), on the basis of 1 Series-2 PCCS for every 7 Shares held and (b) 1 free warrant carrying the right to subscribe for 1 Series-2 PCCS at the exercise price of S\$1.30 during an exercise period of 5 years from its date of issue (“**Free Warrant**”), on the basis of 1 Free Warrant for every 1 Series-2 PCCS validly subscribed for pursuant to the Rights Issue.

The Group would also like to reward its shareholders for their continuous support with a bonus issue of one bonus warrant ("**Bonus Warrant**") for every 10 Shares held, with each Bonus Warrant carrying the right to subscribe for 1 Series-2 PCCS."

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Please refer to the Group's unaudited financial results announcement for 4Q2018 and the investor presentation slides dated 14 February 2019 for a detailed review of the Group's performance and prospects. For media enquiries, please contact:

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About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "**PRC**"), an owner of commercial properties (including hotels) and a provider of property financing services mainly in the Netherlands, Germany, and the PRC, was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc, and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

Please visit www.1st-sponsor.com.sg for the Group's SGX announcements, financial statements, investor presentations and press releases.